



DEPARTMENT OF INSURANCE
STATE OF ARIZONA
Financial Affairs Division - Compliance Section
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ANNUAL STATEMENT INSTRUCTIONS FOR ALL COMPANIES FILING A HEALTH ANNUAL STATEMENT

THE INSTRUCTIONS AND FORMS LISTED BELOW ARE APPLICABLE TO THE FOLLOWING TYPES OF COMPANIES THAT FILE A HEALTH ANNUAL STATEMENT. YOUR ARIZONA CERTIFICATE OF AUTHORITY DICTATES YOUR COMPANY TYPE.

COMPANY TYPE		DUE DATE
DOMESTIC	DISABILITY (ONLY) INSURER	MARCH 31
	LIFE/DISABILITY INSURER	
	PROPERTY/CASUALTY INSURER	
FOREIGN	DISABILITY (ONLY) INSURER	MARCH 01
	LIFE/DISABILITY INSURER	
	PROPERTY/CASUALTY	
ALL	HEALTH CARE SERVICES ORGANIZATION	MARCH 31
DOMESTIC	HOSPITAL, MEDICAL, DENTAL, OPTOMETRIC SERVICE CORPORATION	MARCH 31
ALL	PREPAID DENTAL PLAN ORGANIZATION	MARCH 01

SECTION I: THE FOLLOWING INSTRUCTIONS ARE APPLICABLE TO ALL COMPANY TYPES LISTED ABOVE UNLESS NOTED OTHERWISE

1. NAIC FILING REQUIREMENTS

The following must be **received at the N.A.I.C.** not later than **March 1***. Contact N.A.I.C. Publications Department at (816) 783-8300 for filing instructions or assistance.

- Hard Copy** of the Annual Statement in accordance with specifications
- Annual Statement Diskette or Internet** (electronic) filing.
- Risk Based Capital Report**, hard copy and electronic filing.
- Required **filing fee**

*March 31 if licensed only in Arizona

2. ARIZONA FILING - ANNUAL STATEMENT SPECIFICATIONS

ONE HARD COPY 8-1/2" X 14" Statement in two-sided book form is **REQUIRED** and **MUST:**

- Include an **Actuarial Opinion**.
- Be **securely bound** in proper NAIC color jacket (a stapled book will not be accepted as a Bound Book)
- Include **NOTARIZED SIGNATURES OF TWO (2) OFFICERS WHO ARE LISTED ON THE JURAT PAGE.**
- Include the **Arizona State Pages** (Page 30 and Supplement 23 or 59, as applicable)
- Include the **Annual Statement Filings Worksheet** Form E-WORKSHEET.HEALTH.

ALL DOMESTIC COMPANY FILINGS MUST ALSO INCLUDE:

- ORIGINAL** NOTARIZED SIGNATURES OF TWO (2) OFFICERS WHO ARE LISTED ON THE JURAT PAGE.
- State Pages** (Page 30 and Supplement 23 or 59, as applicable) **for each jurisdiction** where Insurer has transacted business.
- One **Duplicate Annual Statement**, stamped "**COPY**" on the front cover, with
 - Actuarial Opinion, stamped "**copy**"
 - State Pages as specified in G above.
 - Management Discussion and Analysis Report with Transmittal Form E-MDA, stamped "**copy**"
 - IF APPLICABLE: "Arizona Business Only Pages" see *Section II for HCSO's*, stamped "**copy**"
 - Form E-WORKSHEET.HEALTH, stamped "**copy**"

DO NOT FILE A DISKETTE WITH THIS DEPARTMENT

3. MANAGEMENT DISCUSSION AND ANALYSIS (DUE APRIL 1)

File with the **NAIC and this Department**, a Management Discussion and Analysis Report in accordance with current NAIC Annual Statement Instructions **not later than April 1**. This Report is considered a part of the Annual Statement and failure to timely file may result in a late filing penalty assessment. **Form E-MDA MUST be completed and affixed to the front cover of the Report that is filed with this Department.** Please attach the Report with affixed completed Transmittal Form E-MDA to the Annual Statement Filings Worksheet Form E-WORKSHEET.HEALTH.

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4. CERTIFICATE OF DISCLOSURE FORM E-178 – NOT APPLICABLE TO HOSPITAL, MEDICAL, DENTAL, OPTOMETRIC SERVICE CORPORATIONS OR PREPAID DENTAL PLAN ORGANIZATIONS

This form should be directed immediately to EXECUTIVE OFFICERS OR DIRECTORS, WHO ARE LISTED ON THE JURAT PAGE for complete execution and notarized original signatures. Incomplete certificates will be returned for completion and may result in statutory penalty of \$25 per day and/or other disciplinary action by this Department. Attach the Form E-178 to the Annual Statement Filings Worksheet Form E-WORKSHEET.HEALTH.

5. ARIZONA FILING OF HEALTH RISK BASED CAPITAL REPORT - NOT APPLICABLE TO FOREIGN LIFE/DISABILITY INSURERS OR PROPERTY/CASUALTY INSURERS

ALL DOMESTIC companies and ALL FOREIGN Health Care Service Organizations and Prepaid Dental Plan Organizations MUST file the Health Risk Based Capital Report with the Arizona Department of Insurance.

6. CERTIFICATE OF COMPLIANCE – NOT APPLICABLE TO DOMESTIC COMPANIES

File an original Certificate of Compliance that is certified by an official of the regulatory agency in the state of domicile listing the kinds of insurance the company is authorized to transact in that state. If the certificate only lists numerical statutory citations, attach copies of the appropriate code sections that define the numerical citations.

7. CERTIFICATE OF DEPOSIT – APPLICABLE TO FOREIGN LIFE/DISABILITY INSURERS OR PROPERTY/CASUALTY INSURERS ONLY

File an original Certificate of Deposit listing the amounts and class of securities held in trust for the benefit of ALL policyholders, wherever located, that is certified by an official of the regulatory agency in the state of domicile AND/OR certifications from OTHER state regulatory authorities where a deposit is held to satisfy the minimum deposit requirement of the State of Arizona. Securities on deposit are measured by the LESSER of par value or market value and the minimum amount required by this state, in most cases, is \$500,000. Companies with deposit deficiencies will be subject to disciplinary action, such as suspension or revocation of the Certificate of Authority.

8. ANNUAL AUDITED FINANCIAL REPORTS

File with the NAIC and this Department, an Annual Audited Financial Report prepared on a **Statutory** Accounting basis, as a supplement to the Annual Statement, **on or before June 1** in accordance with the current NAIC Annual Statement Instructions. **Form E-AFR MUST be completed and affixed to the front cover of the Report that is filed with this Department.** If this Report is available to be filed with the Annual Statement, please attach the Report with affixed completed Transmittal Form E-AFR to the Annual Statement Filings Worksheet Form E-WORKSHEET.HEALTH.

9. THE FOLLOWING EXHIBITS AND REPORTS, AS APPLICABLE, MUST BE SENT UNDER SEPARATE MAILING TO ATTENTION: LIFE AND HEALTH DIVISION, at the street address listed above. **DO NOT** mail these forms in the Annual Statement envelope. Phone (602) 364-2393 for assistance.

- 1) Pursuant to A.R.S. § 20-1602 and A.A.C. R20-6-604.07:
 - a. **Credit Insurance Experience Exhibits (due April 1).** Direct business only - excludes assumed. Must be filed for Arizona only. A "NO" response to the Question on Page 1, make Pages 2 through 7 unnecessary.
 - b. **Credit Life and Disability Insurance Experience Reports (due April 1).** To be filed by insurers transacting credit insurance business in Arizona. Forms are prescribed in A.A.C. R20-6-604.07. These forms can be found on our web site at <http://www.id.state.az.us/insurers.html> by scrolling down to heading "Surveys and Other Reporting Forms" and click on "Life and Health Division Reporting Forms."
- 2) **Actuarial Certification of Rates for Small Employer Health Benefits Plans** pursuant to A.R.S. § 20-2311(E) (due April 1).
- 3) **Health Insurance Portability and Accountability Act Reports (due March 1).** To be filed by insurers that offer health insurance coverage in the individual market pursuant to A.R.S. § 20-1382. If NOT REQUIRED, please indicate on form. Use Forms HIPAA-3/1, HIPAA-I, HIPAA-II and HIPAA-III. These forms can be found on the Arizona Web Site at <http://www.id.state.az.us/insurers.html> by scrolling down to heading "Surveys and Other Reporting Forms" and click on "Life and Health Division Reporting Forms."

10. ADVERTISEMENTS OF DISABILITY INSURANCE COMPLIANCE – APPLICABLE TO INSURERS AUTHORIZED TO TRANSACT DISABILITY (HEALTH) INSURANCE IN ARIZONA

Each insurer engaged in the advertisement of policies defined in A.A.C. R20-6-201(A)(2) must **file with the Annual Statement a certificate executed by an authorized officer** of the insurer which attests that the advertisements which were disseminated by the insurer during the preceding calendar year complied or were made to comply with the provisions of the Arizona insurance laws to the best of his/her knowledge, information and belief. There is no prescribed certificate form.

11. OTHER SUPPLEMENTS AND EXHIBITS – AS APPLICABLE

The Accident & Health Policy Experience Exhibit (**due April 1**) and any other applicable Annual Statement Supplements or Exhibits listed on the applicable N.A.I.C. Filing Checklist must be filed in hard copy form by the due date specified on the form.

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12. OTHER EXHIBITS

The “**Notes to Financial Statements**” must provide responses for each of the 40 Notes shown in the Annual Statement Instructions. Indicate “none” or “not applicable”, if appropriate. The **Company must not alter the numbering scheme** of these notes. These disclosures shall be consistent with those required by the Standards promulgated by the American Institute of Certified Public Accountants. In addition, the information should be sufficient to determine compliance with statutes and regulations.

DUE DATES

Annual Statement Filing due dates are specified on Page 1. If the due date falls on a Saturday or Sunday, the deadline will be extended to the following Monday for that year only.

PLEASE NOTE OUR “POSTMARK POLICY” APPLICABLE TO STATUTORY FILINGS, AS IT IS ENFORCED BY THIS DEPARTMENT: To be considered a TIMELY filing, the package containing the filing must display validation by the United States Postal Service* as proof of the date of filing. Courier deliveries must include an invoice bearing the date of courier pick-up. If your package does not provide evidence of a timely mailing it will be considered filed WHEN RECEIVED.

*Postage meter stamps do not qualify.

SECTION II: THE ITEMS LISTED BELOW ARE REQUIRED IN ADDITION TO SECTION I INSTRUCTIONS FOR THE SPECIFIED COMPANY TYPE UNDER WHICH THEY ARE LISTED.

HEALTH CARE SERVICES ORGANIZATION

A. “ARIZONA BUSINESS ONLY” PAGES - Organizations doing business in other states must include the following additional Annual Statement pages reflecting and reporting Arizona Business only. Prepare and attach a cover sheet marked “ARIZONA BUSINESS ONLY” on top of these pages:

Page 4	Statement of Revenue and Expenses
Page 7	Analysis of Operations by Lines of Business
Page 14, Part 3	Underwriting and Investment Exhibit-Analysis of Expenses
Page 17	Exhibit 1-Enrollment by Product Type <u>For Health Business Only</u>
Page 23	Exhibit 7, Part 1 Summary of Transactions with Providers and Part 2 Summary of Transactions with Intermediaries
Page 30	Exhibit of Premiums, Enrollment and Utilization

B. CERTIFICATE OF ADVERTISING COMPLIANCE FORM E-HCSO-13 must be executed and filed.

C. AN UPDATED PLAN FOR RISK OF INSOLVENCY including actuarial certification of rates and an actuarial memorandum in support of the Plan of Risk of Insolvency must be filed pursuant to A.R.S. § 20-1069.

D. FINANCIAL RESERVE DEPOSIT

A.R.S. § 20-1056(A) requires a financial reserve deposit to be funded quarterly in amounts equal to 2% of charges collected from enrollees of the health care plan until the deposit totals \$1 Million, for the benefit and protection of persons covered by the health care service organizations. Contact the Trust Deposits Unit of Financial Affairs Division at (602) 364-2712 for assistance. Companies with deposit deficiencies are subject to disciplinary action, such as suspension of the Certificate of Authority.

HOSPITAL, MEDICAL, DENTAL AND OPTOMETRIC SERVICE CORPORATION

A. CERTIFICATE OF DISCLOSURE FORM E-HMDO-178

This form should be directed immediately to EXECUTIVE OFFICERS OR DIRECTORS, **WHO ARE LISTED ON THE JURAT PAGE** for complete execution and notarized original signatures. Incomplete certificates will be returned for completion and may result in statutory penalty of \$25 per day and/or other disciplinary action by this Department. Attach the Form E-HMDO-178 to the Annual Statement Filings Worksheet Form E-WORKSHEET.HEALTH.

B. STATUTORY DEPOSIT

A.R.S. § 20-828 requires HMDO's to annually deposit by February 1, funds equal to 2% of gross subscription collected during the preceding calendar year until the deposit totals \$500,000. Securities on deposit are measured by the lesser of market value or par value. Contact the Trust Deposits Unit of Financial Affairs Division at (602) 364-2712 for assistance. Companies with deposit deficiencies are subject to disciplinary action, such as suspension of the Certificate of Authority.

C. ADDITIONAL REQUIREMENTS APPLICABLE TO HMDO'S WITH AN HCSO OPERATION

- 1. CERTIFICATE OF ADVERTISING COMPLIANCE FORM E-HCSO-13** must be executed and filed.
- 2. AN UPDATED PLAN FOR RISK OF INSOLVENCY** including actuarial certification of rates and an actuarial memorandum in support of the Plan of Risk of Insolvency must be filed pursuant to A.R.S. § 20-1069.

3. FINANCIAL RESERVE DEPOSIT

A.R.S. § 20-1056(A) requires a financial reserve deposit to be funded quarterly in amounts equal to 2% of charges collected from enrollees of the health care plan until the deposit totals \$1 Million, for the benefit and protection of persons covered by the health care service organizations. Contact the Trust Deposits Unit of Financial Affairs Division at (602) 364-2712 for assistance. Companies with deposit deficiencies are subject to disciplinary action, such as suspension of the Certificate of Authority.

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PREPAID DENTAL PLAN ORGANIZATION

A. ANNUAL INSURANCE HOLDING COMPANY SYSTEM REGISTRATION STATEMENT – FORM B AND FORM C

The Annual Insurance Holding Company System Registration Statement Form B including Summary of Changes Form C is **due by March 31. Holding Company System Registration Statement must be sent UNDER SEPARATE MAILING TO ATTENTION: COMPLIANCE SECTION. DO NOT MAIL IN ANNUAL STATEMENT ENVELOPE.**

B. STATUTORY DEPOSIT

A.R.S. § 20-1005 requires a deposit between \$25,000 and \$200,000 depending on the number of members entitled to dental care services. Securities on deposit are measured by the lesser of market value or par value. Contact the Trust Deposits Unit of Financial Affairs Division at (602) 364-2712 for assistance. Companies with deposit deficiencies are subject to disciplinary action, such as suspension of the Certificate of Authority.

LIFE/DISABILITY INSURER

A. CERTIFICATE OF VALUATION – APPLICABLE TO INSURERS TRANSACTING LIFE INSURANCE

ALL Insurers transacting LIFE insurance must file an **original Certificate of Valuation** attesting to the policy obligations outstanding at the end of the calendar year which is **certified** or issued by a duly authorized official of the regulatory agency in the insurer's state of domicile.

DOMESTIC: DISABILITY INSURER, LIFE/DISABILITY INSURER, PROPERTY/CASUALTY INSURER

A. ANNUAL INSURANCE HOLDING COMPANY SYSTEM REGISTRATION STATEMENT – FORM B AND FORM C

The Annual Insurance Holding Company System Registration Statement Form B including Summary of Changes Form C is **due by March 31. Holding Company System Registration Statement must be sent UNDER SEPARATE MAILING TO ATTENTION: COMPLIANCE SECTION. DO NOT MAIL IN ANNUAL STATEMENT ENVELOPE.**

PROPERTY/CASUALTY INSURER (DOMESTIC ONLY)

A. FORM E-PC.350 Producer Controlled Property and Casualty Insurance.